

## PROGRAM FOR STRENGTHENING THE JUDICIAL SYSTEM

(UR-0122)

### EXECUTIVE SUMMARY

<b>Borrower and guarantor:</b>	Eastern Republic of Uruguay	
<b>Executing agency:</b>	Suprema Corte de Justicia [Supreme Court] (SCJ)	
<b>Amount and source:</b>	IDB (OC):	US\$6,125,000
	Local:	US\$2,625,000
	Total:	US\$8,750,000
<b>Financial terms and conditions:</b>	Amortization period:	25 years
	Disbursement period:	5 years
	Grace period:	5 years
	Interest rate:	variable
	Inspection and supervision:	1%
	Credit fee:	0.75%
	Currency:	U.S. dollar
<b>Objectives:</b>	<p>The overall objective of the program is to improve judicial services in Uruguay in response to the perception that users have of those services. The specific objectives are: (i) to improve the quality and productivity of administrative services within the judicial branch (DGSA, DPP, SL); (ii) to strengthen management of the SCJ and streamline non-core administrative tasks; and (iii) to reduce the time it takes to process judicial cases in pilot offices, ensuring that such processing is completed by the deadlines established in procedural rules.</p>	
<b>Description:</b>	<p>To achieve these specific objectives, a program consisting of three projects has been designed as follows: (i) reorganization and strengthening of administrative procedures (US\$1.5 million); (ii) strengthening of management of the Supreme Court (US\$900,000); and (iii) improvement in court services (US\$ 4.1 million).</p> <p>The project to reorganize and strengthen administrative procedures includes: (i) introducing the use of strategic planning in the judicial branch, building on recent experience gained in preparing the budget for 2000-2004; (ii) redesigning and strengthening the organizational</p>	

structure of administrative services in the judicial branch; and (iii) improving the skills and capabilities of personnel for management by objectives, including the design and implementation of a management training program for officials of the DGSA, and a reform of the performance appraisal system for personnel in the judicial branch.

The project to strengthen management of the Supreme Court consists of (i) streamlining administrative tasks assigned to the SCJ by reviewing the Court's operational structure, delegating tasks to lower-level administrative bodies, and simplifying and computerizing procedures; (ii) strengthening the SCJ's Legal Secretariat by reviewing its operational structure with a view to consolidating its role of providing direct support to the SCJ and relieving it of non-core administrative functions, reengineering its organizational support structure and procedures; and analyzing the delegation of duties to the subsecretariats, as well as coordination with the DGSA; (iii) improving the information systems within the SCJ, including as a minimum the systems of administrative case management, instrument and deposition management, monitoring of criminal reports, preparation of judgements, case management within the SCJ, and the updating of current jurisprudence to include judgements by appellate courts and the database on final rulings of the SCJ; and (iv) creating an Internal Audit Division made up of two units: Economic and Financial Audits and Administrative Audits.

The project to improve court services includes detailed design and implementation of a pilot plan to modernize judicial courts. This pilot plan will include: (i) design, development and implementation of a master identification system for tracking judicial proceedings throughout the legal process; (ii) simplification of procedures and formalities based on standardization of documents and decisions; (iii) development of a computerized case management and tracking system, by subject and by court; (iv) implementation of the case management and tracking system in 50 offices, and preparation of a proposal to extend the system to all other judicial offices; and (v) development of an acclimation plan to help judicial personnel adjust to the changes, with training for judges, court clerks, and judicial staff throughout the legal system.

**The Bank's  
country and  
sector strategy:**

In keeping with the government's economic policy, and the Eighth General Increase in Resources, the Bank's strategy in Uruguay focuses on support for developing programs and government policies for the 2000-2004 five-year period, to ensure sustained and stable growth that permits greater social equity. Against this backdrop, the Bank's strategy will center on three areas. In **competitiveness and regional integration**, the Bank will support

initiatives that enhance competitiveness and private investment in export-oriented production, based on its comparative advantages and the use of modern technologies. Under **modernization of the State and governance**, the Bank will support reforms intended to curb the State's influence on the economy, increase its efficiency and effectiveness, rationalize and target its intervention, and minimize its impact on national production of goods and services. In the area of **welfare and social equity**, the Bank's strategy seeks to promote greater equity and bring the most vulnerable groups into the development process and improve their quality of life.

From 1995 through 1998, the program to strengthen social areas (loan 811/OC-UR) financed a number of studies and diagnostic assessments of the justice system, which served to identify potential areas of support. This loan also funded preparation of the initial stages of the present program to approval in March 1999 of a separate operation for US\$830,000 under the Project Preparation Facility (1168/OC-UR), which is now under way.

Since the main problems affecting the judicial branch have to do with lengthy legal procedures and management of judicial courts, success in dealing with these problems will require first reinforcing and modernizing the judiciary's overall administrative and management system, before moving ahead carefully with modernization of the courts.

Large-scale introduction of new technologies, procedures, organizational models and court management procedures would stand little chance of succeeding without: (i) an administrative system that can respond effectively; (ii) a reorganization that phases in changes to firmly entrenched work practices and organizational structures; and (iii) a clear definition of the criminal procedural reform. It is important to ensure a proper sequencing of activities that is adapted to the system's capacity to assimilate change.

The program strategy to promote modernization of the judicial branch is based therefore on the gradual modernization of the administrative system and on the introduction of a program for reform of judicial office management.

**Environmental  
and social  
review:**

This program will have no direct environmental effects.

**Benefits:**

The program will provide direct benefits in two major areas: improving the institutional, administrative, and technical capacity of the judicial branch; and initiating of efforts to modernize the management of judicial courts, and thus to improve service to users. The establishment of a modern institutional framework will provide

the country's judicial branch with more efficient, more effective, and dynamic administration and management. This improved institutional structure will lay the groundwork for coping with more complex challenges in the future, such as the successful introduction of an eventual reform of the Code of Criminal Procedure. The introduction of modern systems of administration will enable the judicial branch to make more efficient use of its resources. Reducing the amount of time justices, magistrates and judges spend on purely administrative business will allow them to devote more attention to judicial matters.

The program will set the stage for addressing the judicial backlog and delays, reinforcing the institutional and technical capacity of the judiciary and preparing the various actors in the system for long-term institutional change.

Lastly, the improved judicial services will foster economic growth in the medium and long term through its impact on the investment climate.

**Risks:**

The main risk associated with the program is resistance to the changes produced by the program as proposed, particularly the design and reorganization of the management structure. This risk will be mitigated by the commitment to change demonstrated by the country's senior judicial authorities, as well as by the content and sequencing of the program. It is important to note that, with the Bank's help, the SCJ for the first time submitted to the Legislature a budget prepared in accordance with modern budgeting methods. This experience illustrates that resistance to change in organizations as traditional as the SCJ can be addressed using tools and mechanisms that facilitate teamwork. To counter this risk still further, specific activities have been included aimed at consensus building and heightening awareness to change.

The weakened administration of the judicial branch, which this program is designed to correct, poses another risk: namely that of delays in execution. To minimize this risk, a Program Coordinating Unit (PCU) was created and put in place during program preparation.

Given that the SCJ is a decision-making body of five justices, there is a possibility that the present consensus on the reform process could eventually be adversely affected. This risk is being mitigated by involving the entire court in the various program activities, and should be minimized still further with the annual agreements mentioned earlier.

<b>Special contractual clauses:</b>	As a condition precedent to the first disbursement, the SCJ must present, to the Bank's satisfaction: (a) an authorized copy of the implementation agreement between the SCJ and the OPP, together with the SCJ decision approving that agreement, signed by the five justices (paragraph 3.2); (b) evidence that the executing unit has been set up and is functioning (paragraph 3.6); (c) evidence that the Supervisory Council has been set up and is functioning (paragraph 3.10); (d) evidence that the three project leaders have been hired (paragraph 3.6); and (e) evidence that the plan of operations for year one has been approved (paragraph 3.28).
<b>Poverty-targeting and social sector classification:</b>	N/A
<b>Exceptions to Bank policy:</b>	None.
<b>Procurement of Goods and Services:</b>	The selection and hiring of consultants and all procurement of goods and services for the program must be carried out in accordance with the standard procedures approved by the Bank for this purpose. International bidding and competitions must be used to award contracts valued at the equivalent of US\$350,000 or more, in the case of goods, and US\$200,000 or more, in the case of consulting services. Financing of construction works is not envisaged under the program. After year one of the program, depending upon the experience gained by the executing agency, the Bank may conduct an ex post review by sampling contracts for individual consultants valued at less than US\$50,000, and contracts with consulting firms valued at less than US\$100,000.